

ANNUAL PERFORMANCE PLAN FOR FISCAL YEAR 2001

*INCLUDING THE ANNUAL PROGRAM PERFORMANCE
REPORT FOR FISCAL YEAR 1999*



U. S. Railroad Retirement Board

We prepared this final Annual Performance Plan for Fiscal Year (FY) 2001 at the President's \$92.5 million budget level. The President's budget level is significantly less than the original amount we requested in our September 10, 1999, FY 2001 Budget Submission, which was \$98.855 million. After adjusting to over 60 buyouts and prioritizing our most critical automation expenditures, we believe that \$95 million is the minimum amount needed to maintain high customer service levels and position the agency for continued budget constraints in future years. Thus, we have also included the projected results of a budget of \$95 million in the Annual Performance Plan.

During FY 2000, we conducted a buyout of over 60 employees and do not have the funds necessary to provide for our IT initiatives as planned. These important investments would have strengthened our technology infrastructure, helped us to develop new systems, and allowed us to better fulfill various requirements pursuant to Federal mandates. The large number of employees leaving the agency combined with our inability to fund the IT initiatives needed to start and/or continue certain mission-critical automation initiatives will affect our performance in FY 2000 and probably in the years to come. This is taken into account in our projections for performance in FY 2000 and FY 2001.

For FY 2001, we had planned to be able to resume much of the information technology (IT) investments outlined in our IT Capital Plan. With the reduced funding level of \$92.5 million, we will undertake far fewer IT projects than planned. We will again be forced to defer mission-related projects such as future phases of a system to allow survivor applications to be taken on-line, in a paperless, folderless environment, and "one and done" customer service.

At the Administration's budget level of \$92.5 million, we will not be able to fully support or expand our IT investments. In fact, at the Administration's budget level, we will need to reduce FTE funding by approximately \$517,000 and eliminate \$1.983 million in automation initiatives. A summary of what the requested additional \$2.5 million will provide to the agency is set forth on page 47, with additional detail on our automation initiatives presented on pages 67-70.

Over the years, we have used our automation investments wisely, which has allowed us to improve operations with significantly less staff. We fully recognize that, over time, we can and must perform our operations with even fewer staff. However, if we cut our staff too sharply and fail to have the proper automation support in place, our customer service, including benefit payment accuracy and timeliness, will suffer.

ANNUAL PROGRAM PERFORMANCE REPORT FOR FISCAL YEAR 1999

We are also submitting this document pursuant to the requirements of the Government Performance and Results Act (31 U.S.C. 1116(a)), which requires a report on program performance for the previous year. The annual program performance report on pages 40-46 is based on the major goals and objectives from the RRB's *Strategic Plan for 1997 - 2002* and its *Annual Performance Plan for Fiscal Year 1999*. The indicators we developed support our mission and communicate our awareness of and intentions for meeting our challenges and exploiting opportunities. We use the plan to hold managers accountable for achieving program results and to improve program effectiveness and public accountability by promoting a renewed focus on results, service quality, and customer satisfaction. We also use the plan to help managers improve service delivery by requiring that they plan for meeting program objectives and by providing them with information about program results and service quality. To provide reasonable assurance that the reported performance information is relevant and reliable, performance goals have been incorporated into performance standards for managers and supervisors, monitored on an agency-wide basis, and made subject to audit by the agency's Office of Inspector General, as part of our financial statements for FY 1999.

Over the last several years, the RRB has restructured its operations and has implemented significant automation initiatives and other improvements. Because of these accomplishments, the RRB is able to operate with reduced resources and is continuing to streamline its operations with the assistance of information technology. We believe that continued investments in information technology will allow us to meet or exceed our customer service goals efficiently.

The results from our first full year of using the Government Performance and Results Act planning and reporting format are encouraging. We met or exceeded planned performance levels for 44 out of 54 reportable indicators. Of the remaining 10, we came very close to the planned levels for many of them. For example, we planned to achieve 99.70% payment accuracy for initial railroad retirement payments, and achieved a payment accuracy rate of 99.68%. This was slightly better than FY 1998, when we achieved a payment accuracy rate of 99.64%. When compared to actual FY 1998 results, our FY 1999 performance was equal to, or better, in nearly every category.

The table on pages 40-46 is a consolidated presentation of our actual performance in FY's 1998 and 1999 and estimated performance for FY's 2000 and 2001. On pages 48 and 49 is a discussion of unmet FY 1999 performance goals and indicators.

The drafting of this performance report was performed by RRB employees.

TABLE OF CONTENTS

Introduction	31
Mission Statement	32
RRB Planning Process	33
Strategic Goal I: We Will Provide Excellent Customer Service	34
Performance Goal I-A: We will optimize accuracy in providing benefits	34
Performance Goal I-B: We will make payments timely	34
Performance Goal I-C: We will provide relevant, timely and accurate information which is easy to understand	34
Performance Goal I-D: We will provide a range of choices in service delivery methods	35
Performance Goal I-E: We will ensure an efficient and effective reporting system for railroad employers	35
Strategic Goal II: We Will Safeguard Our Customers' Trust Funds Through Prudent Stewardship	35
Performance Goal II-A: We will ensure the integrity of benefit programs through comprehensive and integrated monitoring and prevention programs	35
Performance Goal II-B: We will ensure efficient operations through effective management control and quality assurance programs	36
Performance Goal II-C: We will ensure that trust fund assets are projected, collected, recorded, and invested appropriately through an effective and efficient trust fund management program ...	36
Strategic Goal III: We Will Align Resources to Effectively and Efficiently Meet Our Mission	36
Performance Goal III-A: We will align our resources using a performance approach based on contribution to mission	37
Performance Goal III-B: We will strive to deliver service at the point-of-contact ("one and done")	37
Performance Goal III-C: We will use outside sources and partnerships, when appropriate, to accomplish our mission	37
Performance Goal III-D: We will ensure that all employees can link their daily activities with the agency's mission in an environment that is discrimination-free and characterized by cooperation, empowerment, and mutual commitment to our stakeholders	38
Performance Goal III-E: We will ensure that the RRB consistently pays the lowest price for products and services commensurate with quality, service, delivery and reliability	38
Strategic Goal IV: We Will Expand Our Use of Technology and Automation to Achieve Our Mission	39
Performance Goal IV-A: We will ensure that the technology infrastructure supports achievement of the agency's Strategic Plan	39
Performance Goal IV-B: We will ensure effective and efficient management of Information Technology resources	39
Annual Performance Plan - FY 2001	40
Improvements to the Railroad Retirement Board's Operations at the Full Performance Level - FY 2001	47
Discussion of Unmet Performance Goals and Indicators for Fiscal Year 1999	48

Introduction

The Railroad Retirement Board (RRB) has developed this performance plan for fiscal year 2001 to support our mission (See Figure 1) and to communicate our intentions for meeting challenges and exploiting opportunities as we advance into the next decade. We will use the

The RRB has a long and distinguished tradition of excellence in serving our customers.

plan to hold managers accountable for achieving program results and to improve program effectiveness and public accountability by promoting a renewed focus on results, service quality, and customer satisfaction. We will also use the plan to help managers improve service delivery by requiring that they plan for meeting program objectives and by providing them with information about program results and service quality.

This plan is closely linked to our **Strategic Plan for 1997 - 2002** (See Figure 2) and can be easily cross-referenced to that plan. It provides detailed performance goals, performance indicators and target levels (shown on pages 40 through 46) to guide agency managers as they implement our Strategic Plan. It also communicates our plans to our stakeholders, including the railroad community, the Administration, the Congress, and other government agencies. It is one part of a comprehensive set of interlocking plans that cover all major aspects of agency operations. In this plan, we have established specific performance goals (with performance indicators and projected performance levels) to be achieved in fiscal year 2001. Additionally, it supports our other functional plans required to manage the agency. These functional plans include the **Customer Service Plan**, the **Strategic Information Resources Management (IRM) Plan**, and the **Information Technology (IT) Capital Plan**. These plans reflect input and feedback from our stakeholders, and they result in the annual submission of the agency budget to OMB and the Congress each September.

The RRB's strategic and performance goals are outlined on pages 34-39. Information on anticipated performance for each of the RRB's strategic and performance goals at the proposed budget level of \$92.5 million for fiscal year 2001 is provided on pages 40-46. Further information on the improvements to the Railroad Retirement Board's operations at the proposed \$95 million budget level is presented on pages 47 and 67-70.

By March 31, 2002, we will prepare and submit to the President and the Congress a report on program performance for fiscal year 2001. Our program performance report information will be derived from agency systems and the report will set forth the performance goals and indicators, compared to actual program performance for that fiscal year. We also plan to include our annual performance reports in our annual financial statements, which are audited by the RRB's Office of Inspector General (OIG). Those audits will help ensure the reliability and utility of our performance reports.

This annual performance plan meets the requirements of the Government Performance and Results Act (GPRA). The drafting of this performance plan was performed only by RRB employees.

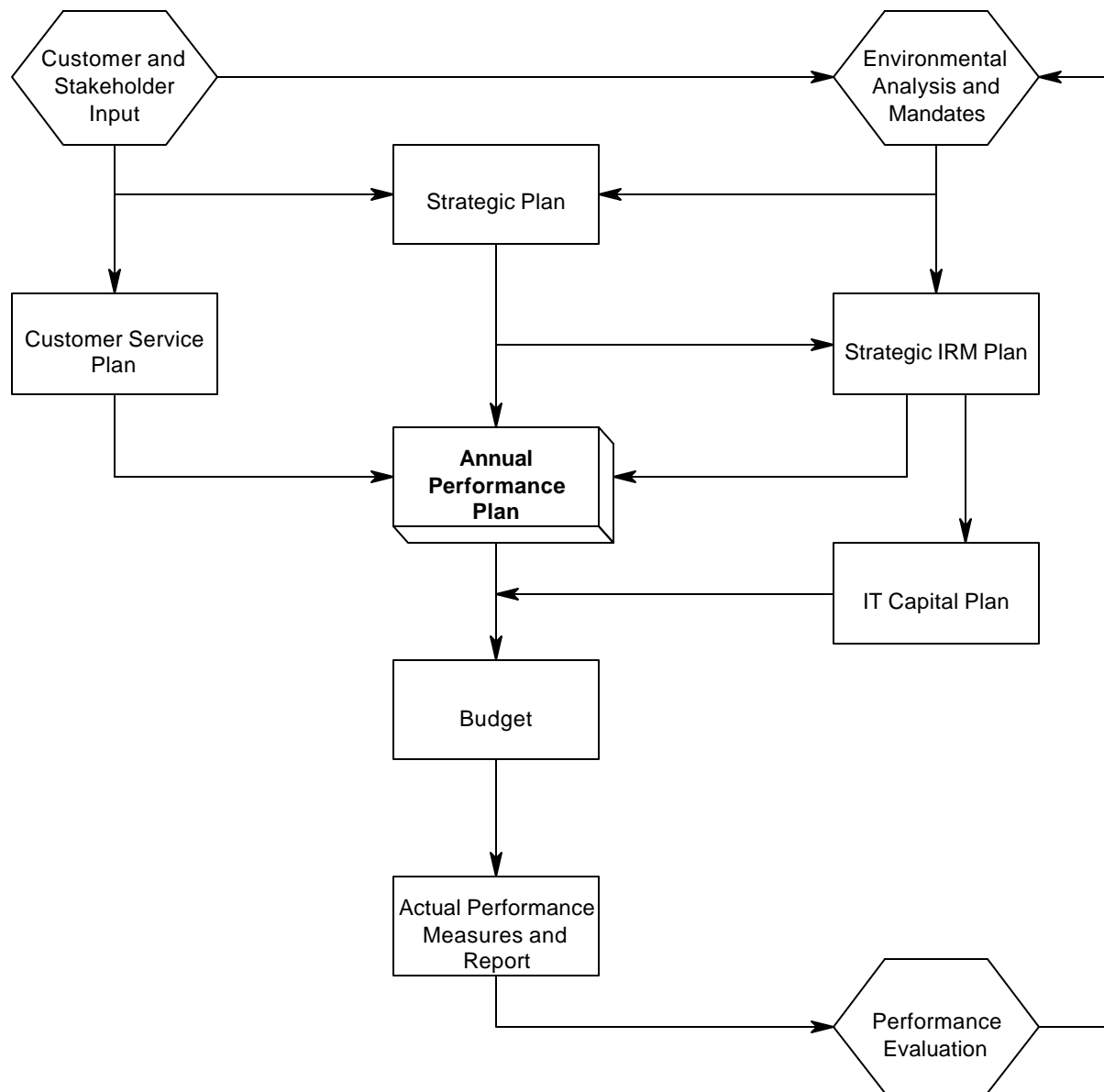
Figure 1

RAILROAD RETIREMENT BOARD MISSION STATEMENT

The RRB's mission is to administer retirement/survivor and unemployment/ sickness insurance benefit programs for railroad workers and their families under the Railroad Retirement Act and the Railroad Unemployment Insurance Act. These programs provide income protection during old age and in the event of disability, death or temporary unemployment or sickness. The RRB also administers aspects of the Medicare program and has administrative responsibilities under the Social Security Act and the Internal Revenue Code.

In carrying out its mission, the RRB will pay benefits to the right people, in the right amounts, in a timely manner, and safeguard our customers' trust funds. The RRB will treat every person who comes into contact with the agency with courtesy and concern, and respond to all inquiries promptly, accurately and clearly.

Figure 2
RRB Planning Process



Strategic Goal I: **We Will Provide Excellent Customer Service.** We aim to satisfy our customers' expectations for quality service in terms of service delivery options as well as levels and manner of performance. We have established five performance goals that focus on the specifics of achieving this strategic goal.

Performance Goal I-A: **We will optimize accuracy in providing benefits.** The RRB is committed to ensuring that we pay the right benefits to the right people. We have a number of measures in place to track the accuracy of the actions we take in a year, both in the Railroad Retirement Act (RRA) and in the Railroad Unemployment Insurance Act (RUIA) programs. The principal indicators of performance are the benefit payment accuracy rates in each program. Our performance goal is to ensure that we continue to significantly exceed 99 percent accuracy in the payments we initiate or adjust in a given year. To accomplish this, we will:

- U Monitor payment accuracy and identify problems.*
- U Provide feedback and take additional preventive actions as appropriate.*

Performance Goal I-B: **We will make payments timely.** Timeliness of payments is an essential ingredient in providing quality service. Those who are sick, disabled, or unemployed did not plan for a decrease in their income, and they need their benefit checks right away. Those who retire voluntarily also need the income quickly, and they need the assurance of knowing their final annuity rates so that they can adequately plan for the future. The agency needs to provide benefits at the point our customers expect them. We measure the success of our efforts in this area by looking at our performance vis-à-vis our Customer Service Plan (CSP). We updated our CSP in fiscal year 1998 to reflect our increased customer focus. Disability application processing goals are ambitious and depend on timely and accurate actions of medical consultants and automation support. Our performance goal is to achieve the levels of service outlined in the CSP, and to accomplish this, we plan to:

- U Ensure that the CSP is comprehensive and is revised when appropriate.*
- U Identify performance gaps and implement changes in the processes where needed.*
- U Monitor key payment workloads.*

Performance Goal I-C: **We will provide relevant, timely and accurate information which is easy to understand.** In addition to making payments, we provide a variety of information to our customers. This ranges from publications and annual statements of wages and compensation, annuity estimates, notices of annuity and benefit awards and changes, and annual income tax statements, to answers to an individual's questions on his or her benefits. It is important that we provide this information in ways that are accessible and responsive to the individual's needs. The level of our performance in this area is measured by how well we succeed in achieving the levels of service designated in our Customer Service Plan and by maintaining acceptable workload balances. To accomplish this, we will:

- U Seek feedback from our customers to determine their expectations and whether those expectations are being met.*
- U Adjust our Customer Service Plan or our processes, based on customer feedback.*
- U Monitor key informational workloads.*

Performance Goal I-D: We will provide a range of choices in service delivery methods. In these days of rising expectations, to fulfill customers' needs we not only need to provide high quality, accurate products on a timely basis, but we need to provide them in ways that are accessible and convenient to all our customers, including the elderly and those with impairments. As we say in our vision statement, we strive to deliver service when, where, and how our customers want it. Some of our customers expressed concern with previous office closings and staff reductions. It is clear that our customers want us to continue to provide personal service. We need to balance this desire with the resources that are available to us, taking advantage of technological developments that will enable us to both please our customers and live within our budget. Our level of performance will be measured by how well we succeed in providing the level of service our customers expect, and by the number of choices we can provide in each program at a reasonable cost. Customer feedback will be obtained at least every other year through surveys or other feedback mechanisms. To achieve this objective, we plan to:

- U Seek customers' service delivery preferences.*
- U Identify "best-in-class" service options.*
- U Offer service options considering customer preferences and available resources.*

Performance Goal I-E: We will ensure an efficient and effective reporting system for railroad employers. To correctly pay benefits, the RRB must receive timely and accurate reports of wages and service months of railroad employees. It is the responsibility of the employer to provide these reports with respect to its employees. To ensure the receipt of accurate and timely reports, the RRB must strive for a system of reporting which is easily understood and which places minimal burden on employers. To accomplish this, the RRB intends to:

- U Maintain the use of electronic data interchange whereby the employer can report over secure telecommunications lines and receive immediate feedback on receipt and acceptability of their reports.*
- U Reduce or consolidate the number of reporting forms and items, if possible.*
- U In partnership with the Department of the Treasury, explore the possibility of simplifying the tax and reporting system for railroad employers whereby employers will file a single report for income tax, employment tax and RRA purposes.*

Strategic Goal II: We Will Safeguard Our Customers' Trust Funds Through Prudent Stewardship. The RRB is committed to fulfilling its fiduciary responsibilities to the rail community. We have established three objectives that direct our focus on this goal.

Performance Goal II-A: We will ensure the integrity of benefit programs through comprehensive and integrated monitoring and prevention programs. As part of our fiduciary responsibilities to the rail community, we must ensure that the correct amount of benefits is being paid to the right people. This is accomplished through matching our benefit payments against wage reports and administering other benefit monitoring programs to identify and prevent erroneous payments. We measure the effectiveness of these matching programs by comparing the dollars collected or saved through these initiatives to their cost. To accomplish this goal we will perform program integrity reviews.

Performance Goal II-B: We will ensure efficient operations through effective management control and quality assurance programs. Efficient management requires the ability to detect and correct material weaknesses in operations. It also requires implementation of cost-effective audit and quality assurance recommendations. One measure of our success in this goal is the number of material weaknesses reported to the President in our annual Federal Managers' Financial Integrity Act Agency Report. In addition, we can monitor our performance through a combination of audits and internal reviews. To accomplish this goal we will:

- U Continue our overall commitment to our management control program.*
- U Maintain a quality assurance program.*

Performance Goal II-C: We will ensure that trust fund assets are projected, collected, recorded, and invested appropriately through an effective and efficient trust fund management program. The RRB is committed to prudent management of its trust funds. Our success in this goal is reflected through our actuarial valuations, our financial projections, the annual financial statements, audits of the annual financial statements, and railroad compensation reconciliations. To accomplish this we will:

- U Continue to carry out the RRB's investment policy.*
- U Continue to carry out the RRB's debt collection policy.*
- U Continue to perform the RRB's actuarial valuations and financial projections.*
- U Continue to estimate the RRB's funding requirements for the Railroad Retirement Supplemental Account, and the Dual Benefits Payments Account.*
- U Continue to perform compensation reconciliations.¹*
- U Continue to reconcile railroad retirement tax deposits reported by employers with taxes credited to the RRB trust funds.*

We will continue to work with the IRS to be able to perform a comprehensive reconciliation between the amount of taxes shown as paid on each railroad CT-1 (Employer's Annual Railroad Retirement Tax Return) filed with the IRS, and the amounts received and deposited in the RRB trust fund accounts.

Strategic Goal III: We Will Align Resources to Effectively and Efficiently Meet Our Mission.

In an environment of limited resources, our goal is to align these resources with the needs of our customers and to be sure that we can deliver service when, where, and how our customers need it. We must ensure that our employees have the tools, training and skills they need to perform a range of duties, and the flexibility to respond effectively to change, as needed. Employees need to know where we are going, what their roles are, and how their work relates to the agency's mission. They need to work independently and in groups, without close supervision. There are five objectives that will enable us to meet this goal.

^{1/} Compensation reconciliations involve a comparison of compensation reported by railroad employers to the RRB for benefit calculation purposes with compensation reported to the IRS for tax purposes. We plan to complete them at least 1 year before the statute of limitations expires.

Performance Goal III-A: We will align our resources using a performance approach based on contribution to mission. We will properly align our resources and ensure that the activities with the highest priority get the needed resources. Under a performance-based approach, investments of staff and funds will be made in a manner which best contributes to our mission. Our success will be measured by how well we meet customer service and accuracy standards, and by the unit costs of production for key workloads. To accomplish this, we will:

- U Implement a performance-based approach to resource allocation and management, utilizing tools such as Activity-Based Cost/Management, Return on Investment, or Benefit-Cost Analysis.*
- U Evaluate and prioritize projects based on contribution to mission and return on investment.*
- U Monitor and evaluate the ratio of our administrative costs to benefit outlays.*

Performance Goal III-B: We will strive to deliver service at the point-of-contact ("one and done"). We strive to deliver service at the point-of-contact. Our objective is "one and done"-- meaning that our customers can complete their business with us in a single contact. Our success in this goal will be measured by a noticeable reduction in "handoffs" and layers of review involved in processing service transactions, and by an analysis of our reversal rates. Most importantly, we will gauge our success by the feedback from our customers. In order to achieve this goal, we will:

- U Make information available for point-of-contact service.*
- U Design systems to facilitate customer focus and ease of use.*
- U Monitor and evaluate the incidences where initial payment or denial decisions are reversed.*

Performance Goal III-C: We will use outside sources and partnerships, when appropriate, to accomplish our mission. Another objective with respect to this goal is to use outside sources and partnerships with other agencies and organizations, when appropriate, i.e., when significant savings can be expected and quality of service will not suffer. As a small agency it is not always economically feasible to retain staff expertise in specialized areas or to perform all activities in-house. We will continue to engage in cross-cutting programs and activities with other Federal agencies, most notably with the Social Security Administration (regarding social insurance coordination issues and program integrity), the Health Care Financing Administration (regarding Medicare enrollments and claims, and program integrity) and the Department of the Treasury/Internal Revenue Service (regarding simplified tax and wage reporting, debt collection, disbursements, reclamations, investments, accounting, and audits). We will measure how well we use outside resources and partnerships through the actual number of each that we utilize, the cost and/or time savings, and through improved effectiveness. Our approach to doing this will be as follows.

- U We will perform best value comparisons on appropriate in-house activities.*
- U We will review the Strategic IRM Plan to identify potential opportunities for competitive outsourcing.*
- U We will keep abreast of current trends and opportunities.*
- U We will work with other agencies and organizations to meet mutual goals.*

Performance Goal III-D: We will ensure that all employees can link their daily activities with the agency's mission in an environment that is discrimination-free and characterized by cooperation, empowerment, and mutual commitment to our stakeholders. Our objective is to ensure that all employees and organizational units can link their daily activities with the agency's mission and operate in an environment that allows them to work effectively and efficiently. With fewer supervisors and layers of management, and an increasing need for specialized skills and talents, the challenges our employees face each day are significant. In order to meet these challenges, our employees need the necessary training and development to be able to work together in a supportive, discrimination-free environment that allows them to do what is needed to meet our goals. The RRB also recognizes the needs our employees have for flexibility in their work place and in their schedules. Programs such as family-friendly leave, compressed work schedules, and other accommodations allow employees to balance their family and work needs. In order to evaluate our progress in this area, we will work with the employees' representatives to develop meaningful metrics that will enable us to determine the level of awareness of individual identification with the agency's mission. We may look at individual performance appraisal plans to ensure this linkage. We may also monitor and analyze sustained discrimination complaints to determine trends. We will seek additional measures that would provide valid feedback and enable us to assess our performance in this area. In addition, we will evaluate our performance on the levels of service specified in customer service standards, and monitor our quality measures. In order to accomplish this goal, we will:

- U Communicate the mission and strategic plan to all employees.*
- U Have each organizational unit identify and communicate its specific contributions to the agency's overall mission.*
- U Link managers' and supervisors' individual performance plans with achievement of agency goals and objectives.*

Performance Goal III-E: We will ensure that the RRB consistently pays the lowest price for products and services commensurate with quality, service, delivery and reliability. This goal, based upon Federal Acquisition Regulations (FAR) which apply to all Federal agencies, is to create a first-class acquisition system. The measures of our performance in achieving this objective are detailed in the agency plan developed under these regulations. Briefly, they are: contract award dates shall, at a minimum, meet agency-mandated delivery schedules; solicitations shall include past performance of the contractor as an evaluation factor; contractor performance evaluations shall be conducted in accordance with the applicable Federal Acquisition Regulations; the percentage of dollars obligated using simplified acquisition procedures shall exceed the Federal government percentage of dollars competitively awarded; and, each purchase order and each contract file shall exhibit a positive vendor responsibility determination. To achieve this goal, the RRB will do the following:

- U The RRB will pay the lowest price for products/services commensurate with quality, service, delivery, and reliability.*
- U RRB procurement staff will closely manage solicitations and the resulting contracts.*

Strategic Goal IV: We Will Expand Our Use of Technology and Automation to Achieve Our Mission. We have established two objectives that focus on information technology and automation as a key strategy for helping us to achieve our mission.

Performance Goal IV-A: We will ensure that the technology infrastructure supports achievement of the agency's Strategic Plan. The RRB's technology infrastructure is adequate to support current ongoing operations. However, as we forge ahead into new realms of technology, we will need to evaluate the long-term viability of the infrastructure, and make investments to maintain and upgrade it to ensure support for the agency's mission well into the future.

Performance measures for this goal focus on the development of a Strategic Information Resources Management (IRM) Plan, which demonstrates the linkage between the infrastructure and the agency's Strategic Plan, and on the appropriate use of budgetary resources to support the Strategic IRM Plan. To accomplish this goal, we will:

- U Provide for all infrastructure requirements in the Information Technology (IT) Capital Plan funded by the agency's annual budget.*
- U Take advantage of existing and emerging technologies.*

Performance Goal IV-B: We will ensure effective and efficient management of IT resources. This broad goal relates to all types of IT resources, from personnel to hardware and software. It will be crucial to manage all these resources carefully, regardless of how scarce they may be, in order to ensure that they are used for the highest business priorities of the agency, and are not wasted through inefficient or ineffective processes. To measure our performance in this area, we will rely on the information in the Strategic IRM Plan, the establishment of baseline schedules and goals for major projects and initiatives, and the use of user service agreements for computer operations. We will take the following actions to achieve this goal:

- U Ensure focus, direction, and consistency on all of our automation activities.*
- U Perform benefit-cost analyses for major IT projects.*
- U Strive to reduce IT project cycle times and costs.*
- U Ensure that agency personnel are adequately equipped with IT tools and technology and the knowledge to use them.*

FY 1999 ACTUAL PROGRAM PERFORMANCE REPORT AND FY 2001 FINAL ANNUAL PERFORMANCE PLAN (February 15, 2000)

RAILROAD RETIREMENT BOARD		1998 Actual Performance (At \$87.2 million)	Estimated 1999 (At \$90 million)	1999 Actual Performance (At \$90 million)	Estimated 2000 (At \$90.655 million)	2001 - OMB Budget Level (At \$92.5 million)	2001 - RRB Request Level (At \$95.0 million)
Strategic Goal I: We Will Provide Excellent Customer Service		FTE's: 673	695	689	640	630	635
		\$48,379,000	\$49,471,000	\$47,574,000	\$47,431,000	\$49,767,000	\$51,407,000
Performance Goal I-A: Optimize accuracy in providing benefits.							
1. Achieve a railroad retirement benefit payment accuracy rate of at least 99%. (Measure: % Accuracy rate)	Initial payments:	99.64%	99.70%	99.68%	99.40%	99.60%	99.60%
	Post payments:	99.95%	99.87%	99.91%	99.60%	99.80%	99.80%
2. Achieve a railroad unemployment/sickness insurance benefit payment accuracy rate of at least 99%. (Measure: % Accuracy rate)	Unemployment:	99.80%	99.90%	99.60%	99.50%	99.50%	99.50%
	Sickness:	99.60%	99.80%	99.70%	99.60%	99.60%	99.60%
Performance Goal I-B: Make payments timely.							
1. Railroad retirement employee or spouse receives initial annuity payment, or notice of denial, within 35 days of annuity beginning date, if advanced filed. (Measure: % # 35 days)		94.3%	90%	94.6%	89%	92%	92.5%
2. Railroad retirement employee or spouse receives initial annuity payment, or notice of denial, within 65 days of the date the application was filed, if not advanced filed. (Measure: % # 65 days)		91.9%	88%	93.1%	87 %	91%	91.5%
3. Survivor annuitant not already receiving a benefit receives initial payment, notice of denial, or notice of transfer to SSA within 65 days of the annuity beginning date, or date filed (whichever is later). (Measure: % # 65 days)		76.5%	72%	77.3%	70%	79%	79%
4. Survivor annuitant receiving benefits as spouse receives payment as survivor, notice of denial, or notice of application transfer to SSA, within 35 days of RRB receipt of the notice of employee's death. (Measure: % # 35 days)		90.0%	88%	90.7%	85%	89%	89.5%
5. Applicant for any railroad retirement death benefit receives payment, or notice of denial, within 65 days of date filed. (Measure: % # 65 days)		91.0%	90%	93.8%	80%	91%	91.5%
6. Unemployed railroad worker receives UI claim form, or notice of denial, within 15 days of the date application filed. (Measure: % # 15 days)		97.10%	98.00%	99.00%	95.0%	98.00%	98.50%
7. Railroad employee unable to work due to temporary illness or injury receives SI claim form, or notice of denial, within 15 days of the date application filed. (Measure: % # 15 days)		99.20%	98.20%	99.00%	95.0%	98.80%	99.00%
8. Railroad employee, unemployed or unable to work due to temporary illness or injury, receives a payment for unemployment or sickness insurance benefits, or a decision, within 15 days of claim receipt. (Measure: % # 15 days)		99.20%	99.20%	99.50%	95.0%	99.30%	99.50%

	Actual 1998 (At \$87.2 million)	Estimated 1999 (At \$90 million)	Actual 1999 (At \$90 million)	Estimate 2000 (At \$90.655 million)	2001 - OMB Budget Level (At \$92.5 million)	2001 - RRB Request Level (At \$95.0 million)
9. Disabled applicant or family member receives notice of decision to pay or deny within 105 days of the date application for disability is filed. (Measure: % # 105 days) <u>1/</u>	28.1%	75%	50.6%	65%	60%	62%
10. Disabled applicant receives payment within 25 days of decision or earliest payment date (whichever is later). (Measure: % # 25 days)	84.2%	90%	90.0%	88%	90%	90.5%
11. Maintain an end-of-year normal carry-forward balance of 11,055 cases or less in 8 targeted workload categories. (Measure: number on hand at end of year)	5,264	8,055	3,636	5,600	5,600	5,600
12. Reduce the number of days elapsed between the date the appeal is filed and a decision is rendered. (Measure: average elapsed days)	New indicator	215	203	220	210	200
Performance Goal I-C: Provide relevant, timely, and accurate information which is easy to understand.						
1. Inquirer receives answer or acknowledgment of written correspondence within 15 days of receipt. (Measure: % # 15 days)	98.2%	99.30%	99.00%	98.00%	98.00%	98.50%
2. Achieve quality and accuracy of correspondence, publications, and voice communications. (Measure: Surveys & reviews)	<u>2/</u>	<u>2/</u>	<u>3/</u>	Deferred	Deferred	Deferred
3. Maintain the combined balance of unprocessed record corrections and cases requiring review for corrected tax statements below the end-of-year normal working level (1,200 items). (Measure: number on hand at end of year)	550	-1,200	153	550	550	550
Performance Goal I-D: Provide a range of choices in service delivery methods.						
1. Offer service for the retirement program by telephone, interactive voice response (IVR), mail, personal computer and in person via field offices and itinerant service. (Measure: # of choices)	5 choices	5 choices	5 choices	5 choices	5 choices	5 choices
2. Offer service for the unemployment/sickness program by telephone, IVR, mail, personal computer and in person via field offices and itinerant service. (Measure: # of choices)	5 choices	5 choices	5 choices	5 choices	5 choices	5 choices
3. Obtain customer feedback. (Measure: Surveys & reviews)	<u>4/</u>	<u>5/</u>	<u>6/</u>	<u>6/</u>	<u>6/</u>	<u>6/</u>
Performance Goal I-E: Ensure an efficient and effective reporting system for railroad employers.						
1. Railroad employer reports filed on time, without problems. (Measure: % of reports filed on time, without problems)	71.8% (Based on report problems)	85% (Based on report problems)	52% <u>7/</u> (Based on report problems)	65% (Based on report problems)	60% (Based on report problems)	60%
2. Railroad employer reports filed electronically, or on magnetic media. (Measure: % filed electronically, or on magnetic media)	96.1% (Of employees)	96.0% (Of employees)	96.0% (Of employees)	96.0% (Of employees)	96.0% (Of employees)	96.0%

	Actual 1998 (At \$87.2 million)	Estimated 1999 (At \$90 million)	Actual 1999 (At \$90 million)	Estimate 2000 (At \$90.655 million)	2001 - OMB Budget Level (At \$92.5 million)	2001 - RRB Request Level (At \$95.0 million)
Strategic Goal II: We Will Safeguard Our Customers' Trust Funds Through Prudent Stewardship	FTE's: 257	210	197	217	203	204
	\$17,960,000	\$14,047,000	\$14,549,000	\$16,028,000	\$16,263,000	\$16,392,000
Performance Goal II-A: Ensure the integrity of benefit programs through comprehensive and integrated monitoring and prevention programs.						
1. Maintain active wage matches with all 50 States to ensure the accuracy of benefit payments. (Measure: # of States matching)	50, plus Puerto Rico & WDC	50, plus Puerto Rico & WDC	50, plus Puerto Rico & WDC	50 plus Puerto Rico & WDC	50, plus Puerto Rico & WDC	50, Plus Puerto Rico & WDC
2. Achieve a return of \$3.60 for each dollar spent on program integrity activities. (Measure: \$ recoveries & savings per \$ spent)	\$3.79 : \$1	\$4.00 : \$1	\$4.69 : \$1	\$3.60 to 1	\$3.60 to 1	\$3.60 to 1
3. Perform continuing disability reviews (medical). (Measure: # performed)	1,621	1,700	2,944	1,200	800 <u>g</u> /	800 <u>g</u> /
4. Reduce overpayments caused by internal processes (Measure: to be determined)	Not applicable	Not applicable	Not applicable	Not applicable	No action	No action
Performance Goal II-B: Ensure efficient operations through effective management control and quality assurance programs.						
1. Take prompt action to correct any material weaknesses. (Measure: # of material weaknesses open at beginning of fiscal year.)	2 open	1 open	1 open <u>g</u> /	0 open	Revised	Revised
Take prompt action to correct any material weaknesses. (Measure: % of action plan milestones accomplished.)	Not applicable	Not applicable	Not applicable	Not applicable	80%	80%
2. Submit to the President and Congress the Federal Managers' Financial Integrity Act Report by December 31 st each year. (Measure: Date report submitted)	12/23/97	12/28/98	12/28/98	12/31/99	12/31/00	12/31/00
3. Resolve audit findings promptly. (Measure: # of audit recommendations to put funds to better use that are not resolved within 6 months of report)	0 recommendations	0 recommendations	0 recommendations	0 recommendations	0 recommendations	0 recommendations
4. Take prompt corrective action on audit recommendations. (Measure: % of audit recommendations implemented by target date)	Tracking system and FY 1999 goal established in FY 1998	75%	63.83%	65%	62.5%	75%
Performance Goal II-C: Ensure that trust fund assets are projected, collected, recorded, and invested appropriately through an effective and efficient trust fund management program.						
1. Railroad Retirement Account's market rate of return will exceed the Bloomberg index of Treasury notes and bonds with more than 1 year of maturity. (Measure: Yes/No) [Note: Future rates of return cannot be forecasted.]	Bloomberg: 13.99%	Exceed Bloomberg index	Exceeded Bloomberg index Yes	Exceed Bloomberg index	Exceed Bloomberg index	Exceed Bloomberg index
	RRB: 13.66%					

	Actual 1998 (At \$87.2 million)	Estimated 1999 (At \$90 million)	Actual 1999 (At \$90 million)	Estimate 2000 (At \$90.655 million)	2001 - OMB Budget Level (At \$92.5 million)	2001 - RRB Request Level (At \$95.0 million)
2. Debts will be collected through referrals to outside collection programs, including the Treasury Offset Program, Treasury cross-servicing, Federal Tax Offset Program, and private collection agencies. (Measure: funds collected)	\$882,818	\$750,000	\$1,747,354	\$800,000	\$800,000	\$800,000
3. Debts will be collected through a variety of other collection efforts. (Measure: funds collected (excludes II-C.2 collections))	New indicator	New indicator	New indicator	\$54,400,000	\$54,400,000	\$54,400,000
4. Complete compensation reconciliations at least 1 year before the statute of limitations expires. (Compensation reconciliations involve a comparison of compensation reported by railroad employers to the RRB for benefit calculation purposes with compensation reported to the IRS for tax purposes.) (Measure: % completed)	100% of the 1995 reconciliations on 2/18/1998	100% of the 1996 reconciliations by 2/28/1999	100% of the 1996 reconciliations completed on 2/12/99	100% of the 1997 reconciliations by 02/29/2000	80% of the 1998 reconciliations by 02/28/2001	100% of the 1998 reconciliations by 02/28/2001
5. Perform reconciliations between the amount of taxes shown as paid on each railroad CT-1 (Employer's Annual Railroad Retirement Tax Return) filed with the IRS, and the amounts received and deposited in the RRB trust fund accounts. (The IRS sent us the 1998 CT-1's in late 1999.) The 1998 reconciliations will be performed in Fiscal Year 2000 and the 1999 reconciliations in Fiscal Year 2001. (Measure: % of dollars reconciled)	New indicator	New indicator	New indicator	97.0%	95.0%	97.0%
Strategic Goal III: We Will Align Resources to Effectively and Efficiently Meet Our Mission	FTE's: 46	52	40	39	41	41
	\$3,240,000	\$3,748,000	\$3,692,000	\$3,165,000	\$3,793,000	\$3,822,000
Performance Goal III-A: Align our resources using a performance approach based on contribution to mission.						
1. Implement a methodology to determine unit cost of key production workloads. (Measure: # of key workloads with unit cost information) 10/	FY 1999 goal	1 workload	1 workload	Deferred	Deferred	Deferred
2. Set specific goals for unit costs of key workloads for years subsequent to implementation of new methodology. (Measure: # of unit cost goals)	FY 1999 goal	1 workload	1 workload	Deferred	Deferred	Deferred
3. Maintain or reduce the ratio of total administrative expenses to benefit outlays. (Measure: ratio of expenses to outlays)	Approx. \$1 : \$100	Approx. \$1 : \$100	\$1.02 : \$100	Approx. \$1 : \$100	Approx. \$1 : \$100	Approx. \$1 : \$100
Performance Goal III-B: Strive to deliver service at the point-of-contact ("one and done").						
1. Reduce the number of handoffs in providing service. (Measure: # of handoffs in claims & key post-entitlement processes.)	FY 1999 goal	11/	Baseline developed	Deferred	Deferred	Deferred
2. Develop a methodology by 9/30/1999, to measure percentage of services provided at point-of-contact. (Measure: Date methodology developed)	FY 1999 goal	6/30/99	6/30/99	Not applicable	Revised	Revised
Complete actual measurement of services provided at the point of contact. Develop action plans as needed.	Not applicable	Not applicable	Not applicable	Not applicable	No	No
3. Complete trend analysis by 9/30/1999, of reversals in at least 1 workload. (Measure: Date)	FY 1999 goal	6/30/99	Completed in February 1999	Not applicable	Not applicable	Not applicable

	Actual 1998 (At \$87.2 million)	Estimated 1999 (At \$90 million)	Actual 1999 (At \$90 million)	Estimate 2000 (At \$90.655 million)	2001 - OMB Budget Level (At \$92.5 million)	2001 - RRB Request Level (At \$95.0 million)
Performance Goal III-C: Use outside sources and partnerships, when appropriate, to accomplish our mission.						
1. Perform benefit/cost evaluations of commercially available activities. (Measure: Completion of benefit/cost analyses)	12/	Yes	No studies required in FY 1999	Yes	No	No
2. Partner with other government agencies or outside organizations to achieve our mission. (Measure: # of partnerships)	69	69	67 13/	67 13/	66 13/	66 13/
Performance Goal III-D: Ensure that all employees can link their daily activities with the agency's mission in an environment that is discrimination-free and characterized by cooperation, empowerment, and mutual commitment to our stakeholders.						
1. Individual performance appraisal plans for managers and supervisors contain elements that link to the agency's mission. (Measure: Yes/No)	FY 1999 goal	Yes	Yes	Yes	Yes	Yes
2. Solicit employee feedback on work environment to determine if it is discrimination-free and supports cooperation, empowerment, and mutual commitment. (Measure: Employee survey)	Developed plan	Perform a survey to obtain employee feedback.	Survey completed and final report issued.	None	None	None
Performance Goal III-E: Ensure that the RRB consistently pays the lowest price for products and services commensurate with quality, service, delivery and reliability.						
1. The percentage of fiscal year dollars competitively obligated via simplified acquisition and contract procedures shall exceed the Government percent of procurement dollars awarded competitively as reported in the Federal Procurement Data System Reporting Manual, Federal Procurement Data Center. (Measure: % of funds awarded)	Govt.: 64.1%	70%	Not available until March 2000	Will exceed Government percentage	Will exceed Government percentage	Will exceed Government percentage
	RRB: 91.8%	84%	87%			
2. 90 percent of purchase orders/contracts meet or exceed the purchase/contract delivery date. (Measure: % meeting/ exceeding date)	Tracking system available	90%	85.8% 14/	90%	80%	85%
3. All solicitations include past performance as an evaluation factor. Each contract file will exhibit a formal determination and finding of contractor responsibility. (Measure: % meeting requirement)	100%	100%	100%	100%	90%	100%
Strategic Goal IV: We Will Expand Our Use of Technology and Automation to Achieve Our Mission	FTE's: 251	239	270	240	238	239
	\$17,594,000	\$22,734,000	\$23,962,000	\$24,031,000	\$22,677,000	\$23,379,000
Performance Goal IV-A: Ensure that the technology infrastructure supports achievement of the agency's Strategic Plan.						
1. The Strategic IRM Plan demonstrates a linkage between the infrastructure and the agency's strategic plan. (Measure: Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes
2. Capital IT Plan used to support the Strategic IRM Plan. (Measure: Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes

	Actual 1998 (At \$87.2 million)	Estimated 1999 (At \$90 million)	Actual 1999 (At \$90 million)	Estimate 2000 (At \$90.655 million)	2001 - OMB Budget Level (At \$92.5 million)	2001 - RRB Request Level (At \$95.0 million)
3. Development of an updated Strategic IRM Plan by 3/31/2000. (Measure: Date plan developed)	6/15/98	3/31/99	8/31/99 <u>15/</u>	Revised	Revised	Revised
Development of an updated Strategic IRM Plan annually, in time to provide input for the annual budget submission. (Measure: Yes/No)	New indicator	New indicator	New indicator	Yes	Yes	Yes
Performance Goal IV-B: Ensure effective and efficient management of IT resources.						
1. Successfully implement major projects as specified in project plans, project definition and requirements documents. (Measure: % completed and signed off on by due date)	93.8% <u>16/</u>	94%	100% <u>16/</u>	Revised	Revised	Revised
Successfully implement major projects as specified in project plans, project definition and requirements documents. (Measure: % completed and signed off by due date within no more than 10% of the estimated time frame.)	New indicator	New indicator	New indicator	94%	94% <u>17/</u>	94% <u>17/</u>
2. Actual costs for major projects are within 10% of estimated costs. (Measure: % projects within 10% of estimated costs)	68.8% <u>16/</u>	90%	100% <u>16/</u>	Revised	Revised	Revised
Provide accurate cost estimates for major projects. (Measure: Total estimated costs ÷ total actual costs)	New indicator	New indicator	New indicator	± 10% of cost estimate	±10% of cost estimate	±10% of cost estimate
3. Computer operations satisfy service levels as specified in user service agreements. (Measure: Exception reports)	Performance target established for FY 1999	No more than 12	Two	No more than 12	No more than 15 <u>18/</u>	No more than 15 <u>18/</u>
4. Actual performance of major operational application systems maintained by BIS. (Measure: Exception reports (e.g., incidents of system down times, unsuccessful batch operations, or other problem situations)).	Performance target established for FY 1999	No more than 12	Four	Not applicable	Not applicable	Not applicable
Performance Goal IV-C: Continue service by ensuring that our systems are Year 2000-compliant.						
1. All mission critical systems will be Year-2000 (Y2K) compliant by 9/30/99. (Measure: % Y2K compliant)	72%	100%	100%	Not applicable	Not applicable	Not applicable

Endnotes

Full-time equivalent staff years (FTE's) include FTE's at the base level of the budget reimbursed by the Health Care Financing Administration (HCFA). Dollar amounts do not include \$398,000 in Y2K funds provided by OMB for fiscal year 1999 (available through September 30, 2001).

1. While the average performance for FY 1999 was 50.6%, we began the year at 34.5% and ended it at 64.6%. For the month of November 1999, our performance was 66.7%. At the FY 2000 budget level, we expect the growth in improvement to end and for performance to drop, resulting in an average of 65% for the year.
2. During FY 1999, we will establish a methodology to measure our performance in this area.
3. Developed a plan of activities to use over the next several years to measure quality and accuracy.
4. Customer satisfaction survey forms being revised and will be available in district offices in FY 1999.
5. Perform comprehensive survey, review the results, and develop action plan, if required.
6. Comprehensive survey deferred for lack of funding. Revised customer satisfaction survey forms were available in field offices in February 1999.
7. Performance for FY 1999 dropped due to many employers submitting reports on March 1, forgetting that the due date (February 28) fell on Sunday. FY 1998 performance was 71.8%. Additionally, we released reporting software on CD-ROM which is designed to assist smaller employers file reports electronically, more timely, and more accurately.
8. We expect to implement a new Continuing Disability Review program in fiscal year 2000. Draft regulations are pending OMB review.
9. The Management Control Review Committee agreed on March 25, 1999, that the one remaining material weakness regarding inaccurate benefit payments as reported in the RRB's December 28, 1998, Federal Managers' Financial Integrity Act Report was resolved. Also, in the Inspector General's March 5, 1999, Report on Internal Control, it was determined that this is no longer a financial statement audit issue.
10. Examples of key production workloads are initial employee retirement application processing, debt collection, and initial disability application processing.
11. During FY 1999, develop a baseline against which to measure performance in initial retirement processing.
12. No new evaluations required. Performed a comprehensive survey of commercial activities.
13. The Postal Service (FY 1999) and the Department of Defense (FY 2001) debt collection partnerships are being phased out because of centralized governmentwide debt collection by the Department of the Treasury under the Debt Collection Improvement Act. Also, as of FY 1999, we no longer have a training partnership with Loyola University.
14. The on-time percentage for FY 1999 was based on a random sample of 1,456 small purchase orders with a 95% confidence level. Because a tracking system was not in place, the 90% on-time performance goal was a best estimate. Of the orders deemed late, 4.4% involved construction delays or problems with product availability. In addition, 4.4% of the remaining sampled orders were delivered no more than 15 calendar days later.
15. The scheduled target date was adjusted to August 31, 1999, to better accommodate the budget and capital planning processes, which are closely linked to the Strategic IRM Plan. An updated Strategic IRM Plan was developed by August 31, 1999, in accordance with this revised schedule. We have reworded this performance indicator for future annual performance plans to tie it more directly to the budget process.
16. FY's 1998 and 1999 were both unusual years in that the work measured by these objectives was based entirely on the ongoing Y2K project. For FY 1998, we reported performance based on the implementation of major segments (i.e., systems) of the Y2K project. However, because the agency had established an overall due date of September 30, 1999, for implementing all of its systems, meeting overall Y2K project goals was more meaningful for FY 1999 than completion of individual system goals. Thus, for FY 1999, we are reporting on the overall Y2K project. Overall, agency systems (mission-critical and non-mission-critical) were implemented by the scheduled due date and within planned costs.
17. This performance level is based on the assumption that we will undertake fewer major projects because of reduced staffing. However, we expect to maintain the same level of performance for those projects that are undertaken.
18. This performance indicator is being adjusted because we expect to increase the scope of operations covered by the user service agreements effective 10-1-99, when we include standards of service for agency local and wide area network operations and other services provided by the User Computer Services section in Bureau of Information Services.

February 15, 2000

Improvements to Railroad Retirement Board's Operations at the Full Performance Level - FY 2001

At the full performance level of funding, the level at which the Railroad Retirement Board would be able to successfully achieve all of its performance objectives, the agency would require \$95 million, versus the \$92.5 million included in the President's budget. This would fund slightly more FTE's as compared to the President's budget, 1,119 FTE's compared to 1,112 FTE's. The additional dollars would also provide us with \$2 million to pursue our highest priority information technology investments. These investments would include some projects that have been deferred due to lack of funding in fiscal year 2000, as well as others we had originally planned for fiscal year 2001.

Document imaging	\$303,000
Customer/event-initiated transactions system	175,000
Integrated application processing system	175,000
Internet transaction software	108,000
RUIA Internet claim software	62,000
Real-time availability of calculation data	154,000
System development tools	125,000
Extranet	100,000
Internet security tools	75,000
Integrated architecture design consulting services	100,000
Disk storage	81,000
Consolidated LAN/server operations	150,000
Standard workstation infrastructure	200,000
Customer care support system	125,000
Employer report editing software	50,000
 TOTAL	 <u>\$1,983,000</u>

Our ability to pursue these improvement initiatives and investments, which are discussed beginning on page 65, would mean that we will be able to do business with our customers using revised systems and technology. In addition, we will maintain and increase our levels of customer service and stewardship, and improve our service and streamline our operations.

Discussion of Unmet Performance Goals and Indicators for Fiscal Year 1999

Performance indicator I-A.1

Achieve a railroad retirement benefit payment accuracy rate of at least 99%.

At the \$90.0 million funding level, we planned to exceed the basic payment accuracy rate of 99% for initial payments. We planned to achieve a payment accuracy rate of 99.70%, but only achieved 99.68%. The variance is .02%. Although our performance in this area has been consistently high we will continue to closely monitor benefit payment accuracy and make improvements where needed. FY 1999 performance reflected a slight improvement from our FY 1998 performance level of 99.64%. Based on our actual performance in FY 1998 and FY 1999, and FY 2000 projected funding at \$90.655 million, we project a performance level of 99.40% in FY 2000.

Performance indicator I-A.2

Achieve a railroad unemployment/sickness insurance benefit payment accuracy rate of at least 99%.

At the \$90.0 million funding level, we planned to exceed the basic payment accuracy rate of 99% for unemployment and sickness insurance payments. We planned to achieve a payment accuracy rate of 99.90% for unemployment insurance claims, but only achieved 99.60%. We also planned to achieve a payment accuracy rate of 99.80% for sickness insurance claims, but only achieved 99.70%. This reflected a slight improvement from our FY 1998 performance level of 99.60% for sickness insurance payments. Based on our actual performance in FY 1998 and FY 1999, and FY 2000 projected funding at \$90.655 million, we project a performance level of 99.50% for unemployment insurance claims and 99.60% for sickness insurance claims in FY 2000.

Performance indicator I-B.9

Disabled applicant or family member receives notice of decision to pay or deny within 105 days of the date application for disability is filed.

We continue to make improvements in this area. The percentage of cases rated within the standard has steadily climbed during FY 1999. During FY 1998, it was 28.1%. In September 1999, 64.6% of the ratings made this target. During the past year, we trained new disability examiners and provided refresher training for established examiners and field offices. Procedural changes have been made to streamline processing and improve work. Based on our actual performance in FY 1998 and FY 1999, and FY 2000 projected funding at \$90.655 million, we project a performance level of 65% in FY 2000.

Performance indicator I-C.1

Inquirer receives answer or acknowledgment of written correspondence within 15 days of receipt.

This variance is due to the inclusion of additional RRB organizations in measuring performance. The FY 1999 compliance rate (99.0%) exceeds that of FY 1998 (98.2%). While our FY 1999 performance was less than projected (99.3%), this indicates that we are improving in this area. Based on our actual performance in FY 1998 and FY 1999, and FY 2000 projected funding at \$90.655 million, we project a performance level of 98.0% in FY 2000.

Performance indicator I-E.1

Railroad employer reports filed on time, without problems.

Performance for FY 1999 dropped to 52% due to many employers submitting reports on March 1, forgetting that the due date (February 28) fell on a Sunday. About one-half of the reports filed late were received within 1 - 5 days of this date. Many employers filing on magnetic media for the first time also experienced problems. We have released reporting software on CD-ROM which is designed to assist smaller employers to file reports electronically, more timely, and more accurately. FY 1998 performance was 71.8%. Based on our actual performance in FY 1998 and FY 1999, and FY 2000 projected funding at \$90.655 million, we project a performance level of 65% in FY 2000.

Performance indicator II-B.4

Take prompt corrective action on audit recommendations.

Our FY 1999 goal was to implement 75% of audit recommendations by the target date. Our actual results were 63.83%. FY 1999 was the first full year of measuring this indicator. Based upon the results from the first year and FY 2000 projected funding at \$90.655 million, we have decided to adjust the goal to 65% for FY 2000.

Performance indicator III-C.2

Partner with other government agencies or outside organizations to achieve our mission.

The Postal Service debt collection partnership was phased out because of centralized government-wide debt collection by the Department of the Treasury under the Debt Collection Improvement Act. Also, as of FY 1999, we no longer have a training partnership with Loyola University. Based on our actual performance in FY 1998 and FY 1999, and FY 2000 projected funding at \$90.655 million, and the consolidation of the Department of Defense debt collection partnership with the Department of the Treasury under the Debt Collection Improvement Act, we project that we will have 66 partnerships in place in FY 2000.

Performance indicator III-E.2

90 percent of purchase orders/contracts meet or exceed the purchase/contract delivery date.

The on-time percentage of 85.8% for FY 1999 was based on a random sample of 1,456 small purchase orders with a 95% confidence level. Because a tracking system was not in place at the time the goal was set, the 90% on-time performance goal for FY 1999 was a best estimate. Of the orders deemed late, 4.4% involved construction delays or problems with product availability. In addition, 4.4% of the remaining sampled orders were delivered no more than 15 calendar days later.

Performance indicator IV-A.3

Development of an updated Strategic IRM Plan by 3/31/2000.

We have changed the scheduled target date to August 31, 1999, to better accommodate the budget and capital planning processes, which are closely linked to the Strategic IRM Plan. An updated Strategic IRM Plan was developed by August 31, 1999, in accordance with this revised schedule. We have reworded this performance indicator for future annual performance plans to tie it more directly to the budget process, rather than to a specific point in time.

PAGE 50 IS BLANK